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**DeNUCCI SAYS MBTA NOW SAVING MONEY BY
GIVING GARAGE CONTRACTS TO LOW BIDDERS**

State Auditor Joe DeNucci reported today that the Massachusetts Bay Transportation Authority (MBTA) risked losing out on hundreds of thousands of dollars by failing to award parking management contracts at North and South Stations to the lowest bidders.

However, as a result of DeNucci's audit, the MBTA has revamped its bidding policies to ensure that the low bids are selected from a list of qualified bidders.

DeNucci's audit of the MBTA's real estate department disclosed that the contracts were awarded through a flawed selection process that did not properly consider the proposed costs to operate these facilities.

For example, DeNucci's review revealed that the company selected to manage the North Station facility, Meyers/Central Parking, Inc., submitted the third-lowest management fee (\$96,800) for the two-year contract, while the firm that had submitted the lowest management fee (\$67,500) was ranked last by the selection committee.

Similarly, the company selected to manage the South Station bus terminal and parking garage for a three-year period submitted a higher bid than the losing firm. After discussing the selection process with DeNucci's staff, the T decided to scrap its five-year South Station contract with Equity Office Properties that carried a management fee of \$915,000 – which was \$115,000 higher than the low bid – and to accept new proposals. The sole bidder was the Codman Company, Inc. of Boston, which had previously submitted the low bid. In February 2002, Codman was awarded a five-year deal at a total cost of \$495,000, a savings of \$420,000 from the original agreement with Equity.

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MBTA officials said they are now using the selection committee only to determine that all bidders are qualified to provide the necessary services. The final award will then be made to the low bidder.

“I commend the MBTA for establishing a pre-qualification process that will enable it to award contracts to the low bidders,” said DeNucci. “Contracts must be awarded to the lowest responsible bidder to protect the interests of the taxpayers and farepayers and to ensure an open, competitive and fair selection process.”